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**Technology & Economic Development  
Committee**

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**HB 2345**

**Brief Description:** Promoting the deployment of combined heat and power systems.

**Sponsors:** Representatives Morris, Smith, Magendanz and Tarleton.

**Brief Summary of Bill**

- Authorizes a natural gas company to offer incentives for customers to invest in combined heat and power systems that result in cost-effective energy efficiency savings and achieve real, quantifiable reductions in greenhouse gas emissions.

**Hearing Date:** 1/13/16

**Staff:** Nikkole Hughes (786-7156).

**Background:**

The Utilities and Transportation Commission.

The Utilities and Transportation Commission (UTC) regulates the rates, services, and practices of privately-owned utilities and transportation companies in Washington, including natural gas and electrical companies. The UTC is required to ensure that rates charged are fair, just, and reasonable. The UTC is authorized to adopt and maintain policies and programs to encourage utilities to invest in energy efficiency (conservation) and to approve tariffs to fund energy efficiency services.

**Summary of Bill:**

Natural Gas Companies.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

A natural gas company may offer incentives for customers to invest in combined heat and power systems that result in cost-effective energy efficiency savings and achieve real, quantifiable reductions in greenhouse gas emissions.

The Utilities and Transportation Commission.

The UTC may rely on its existing policies and practice for determining the cost-effectiveness of combined heat and power systems incentivized by a natural gas company. For the purpose of reviewing incentives offered by a natural gas company for combined heat and power systems, the UTC must consider the quantifiable benefits of electricity savings and reduced greenhouse gas emissions associated with combined heat and power systems.

The UTC must consult with the Department of Ecology and the Washington State University Extension Energy Program to determine an appropriate methodology for evaluating, measuring, and verifying greenhouse gas emissions reductions associated with combined heat and power systems. This methodology should be consistent with established, internationally recognized protocols.

The UTC may establish a limit on the total cost of incentives for combined heat and power systems offered by natural gas companies.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.